

STATE OF TENNESSEE
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
 FOR FISCAL YEAR ENDED JUNE 30, 1998
 (With comparative totals for the fiscal year ended June 30, 1997)

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST
CASH FLOWS FROM OPERATING ACTIVITIES:			
OPERATING INCOME	\$ 17,843	\$ 8,433	\$ 27,297
ADJUSTMENTS TO RECONCILE OPERATING INCOME(LOSS)			
TO NET CASH FROM OPERATING ACTIVITIES:			
DEPRECIATION AND AMORTIZATION	18	41,242	
LOSS ON DISPOSAL OF FIXED ASSETS		3,558	
INVESTMENT INCOME	(5,095)		(33,351)
CHARGES FOR SERVICES	(9,217)		
INTEREST INCOME			(298)
INTEREST EXPENSE	1,403		
CHANGES IN ASSETS AND LIABILITIES:			
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	1,784	2,178	
(INCREASE)DECREASE IN DUE FROM OTHER FUNDS	(2)	(64)	
(INCREASE)DECREASE IN DUE FROM PRIMARY GOVERNMENT			
(INCREASE)DECREASE IN DUE FROM COMPONENT UNITS	(12)	12	(44)
(INCREASE)DECREASE IN INVENTORIES		1,438	
(INCREASE)DECREASE IN PREPAID EXPENSES		(121)	
(INCREASE)DECREASE IN DEFERRED CHARGES			
INCREASE(DECREASE) IN WARRANTS PAYABLE	(1,012)	(1,095)	(1)
INCREASE(DECREASE) IN ACCOUNTS PAYABLE	(3,212)	11,791	
INCREASE(DECREASE) IN DUE TO OTHER FUNDS	(1)	(159)	(35)
INCREASE(DECREASE) IN DUE TO PRIMARY GOVERNMENT			
INCREASE(DECREASE) IN DUE TO COMPONENT UNITS	5		(16)
INCREASE(DECREASE) IN DEFERRED REVENUE	(42)	(1,143)	
INCREASE(DECREASE) IN OTHER			
TOTAL ADJUSTMENTS	(15,383)	57,637	(33,745)
NET CASH FROM(USED FOR) OPERATING ACTIVITIES	2,460	66,070	(6,448)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
OPERATING GRANTS RECEIVED	2,568		
OPERATING GRANTS PAID	(1,049)		
NEGATIVE CASH BALANCE IMPLICITLY FINANCED			
NEGATIVE CASH BALANCE IMPLICITLY REPAID		(1,027)	
PROCEEDS FROM SALE OF NOTES AND BONDS			
PROCEEDS FROM SALE OF COMMERCIAL PAPER			
BOND ISSUANCE COST			
CALL PREMIUMS PAID			
REFUNDING BOND PROCEEDS TO ESCROW			
OPERATING TRANSFERS FROM OTHER FUNDS	1	10,596	252
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT			
OPERATING TRANSFERS TO COMPONENT UNITS	(25)		
EQUITY TRANSFERS IN	4,575	4,510	
EQUITY TRANSFERS OUT		(550)	
OPERATING TRANSFERS TO PRIMARY GOVERNMENT			
FUNDS RECEIVED FROM ESCROW			
PAYMENTS FOR ESCROW			
TAX REVENUES RECEIVED		4	
EQUITY TRANSFERS TO PRIMARY GOVERNMENT			
PRINCIPAL PAYMENTS	(2,880)		
INTEREST PAID	(1,460)		
CAPITAL CONTRIBUTIONS	32,245		
NET CASH FROM (USED FOR) NONCAPITAL FINANCING ACTIVITIES	33,975	13,533	252
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
PURCHASE OF FIXED ASSETS		(26,445)	
BOND PROCEEDS			
PROCEEDS FROM SALE OF FIXED ASSETS		2,100	
PRINCIPAL PAYMENTS		(9,518)	
INTEREST PAID		(9,120)	
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES		(42,983)	

See accompanying Notes to the Financial Statements

TOTALS (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNITS	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY FOR THE YEAR ENDED	
		JUNE 30, 1998	JUNE 30, 1997
\$ 53,573	\$ 51,145	\$ 104,718	\$ 63,257
41,260	712	41,972	38,067
3,558		3,558	5,572
(38,446)	(71,433)	(109,879)	(67,425)
(9,217)	(5,422)	(14,639)	(13,510)
(298)	(19,580)	(19,878)	(18,661)
1,403	132,401	133,804	136,014
3,962	43,328	47,290	7,560
(66)		(66)	72
	66	66	280
(44)	(259)	(303)	(230)
1,438	(13)	1,425	(70)
(121)	(13)	(134)	(405)
	5	5	(7)
(2,108)	(512)	(2,620)	4,304
8,579	1,318	9,897	(6,444)
(195)		(195)	23
	231	231	133
(11)		(11)	121
(1,185)	904	(281)	1,331
	11	11	(4)
8,509	81,744	90,253	86,721
62,082	132,889	194,971	149,978
2,568	42,728	45,296	41,213
(1,049)	(50,358)	(51,407)	(49,466)
	554	554	72
(1,027)		(1,027)	(2,150)
	437,194	437,194	435,201
	91,750	91,750	
	(549)	(549)	(791)
			(843)
	(37,852)	(37,852)	
10,849		10,849	874
	25	25	25
(25)		(25)	(25)
9,085		9,085	4,200
(550)		(550)	
	(43,000)	(43,000)	
	18,519	18,519	
	(18,519)	(18,519)	
4	16,277	16,281	14,185
			(149)
(2,880)	(476,597)	(479,477)	(340,172)
(1,460)	(133,904)	(135,364)	(133,329)
32,245	5	32,250	31,417
47,760	(153,727)	(105,967)	262
(26,445)	(227)	(26,672)	(32,109)
			6,217
2,100		2,100	6,479
(9,518)	(120)	(9,638)	(20,140)
(9,120)	(365)	(9,485)	(9,918)
(42,983)	(712)	(43,695)	(49,471)

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FOR FISCAL YEAR ENDED JUNE 30, 1998
(With comparative totals for fiscal year ended June 30, 1997)

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST
CASH FLOWS FROM INVESTING ACTIVITIES:			
LOANS ISSUED	(41,988)		
COLLECTION OF LOAN PRINCIPAL	14,150		
PURCHASE OF INVESTMENTS			(248,810)
PROCEEDS FROM INVESTMENTS			246,429
INVESTMENT INCOME RECEIVED			8,313
INTEREST RECEIVED	16,026	9,943	298
NET CASH FROM(USED FOR) INVESTING ACTIVITIES	(11,812)	9,943	6,230
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	24,623	46,563	34
CASH AND CASH EQUIVALENTS, JULY 1	111,668	220,016	7
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 136,291</u>	<u>\$ 266,579</u>	<u>\$ 41</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
BOND ISSUANCE COST			
DISPOSAL OF FIXED ASSETS		\$ (187)	
CONTRIBUTED FIXED ASSETS		360	
DEEP DISCOUNT ACCRETION			
DUE TO OTHER FUNDS			
PREPAID EXPENSES		5,500	
TOTAL NONCASH CAPITAL AND FINANCING ACTIVITIES		<u>\$ 5,673</u>	
RECONCILIATION OF CASH AND CASH EQUIVALENTS, JUNE 30, 1998			
CASH AND CASH EQUIVALENTS PER BALANCE SHEET	\$ 1,458,629	\$ 884,339	
CASH ON DEPOSIT WITH FISCAL AGENT	889,684	2,609	
LESS: EXPENDABLE TRUST FUND	(892,550)		
AGENCY FUND	(424,997)		
PENSION FUND	(23,331)		
INVESTMENT TRUST FUND	(1,007,394)		
GOVERNMENTAL TYPE COMPONENT UNITS		(64,313)	
COLLEGE AND UNIVERSITY COMPONENT UNITS		(558,316)	
CASH AND CASH EQUIVALENTS PER CASH FLOW STATEMENT	<u>\$ 41</u>	<u>\$ 264,319</u>	

See accompanying Notes to the Financial Statements

TOTALS (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNITS	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY FOR THE YEAR ENDED	
		JUNE 30, 1998	JUNE 30, 1997
(41,988)	(67,831)	(109,819)	(85,232)
14,150	35,861	50,011	48,379
(248,810)	(1,163,011)	(1,411,821)	(952,189)
246,429	1,192,335	1,438,764	816,768
8,313		8,313	8,926
<u>26,267</u>	<u>73,290</u>	<u>99,557</u>	<u>95,555</u>
<u>4,361</u>	<u>70,644</u>	<u>75,005</u>	<u>(67,793)</u>
71,220	49,094	120,314	32,976
<u>331,691</u>	<u>215,225</u>	<u>546,916</u>	<u>513,940</u>
\$ <u>402,911</u>	\$ <u>264,319</u>	\$ <u>667,230</u>	\$ <u>546,916</u>
	\$ 576	\$ 576	\$ 654
\$ (187)	39	(148)	(16)
360		360	555
	7,037	7,037	3,933
			153
<u>5,500</u>	<u></u>	<u>5,500</u>	<u></u>
\$ <u>5,673</u>	\$ <u>7,652</u>	\$ <u>13,325</u>	\$ <u>5,279</u>